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C O N F I D E N T I A L HONG KONG 004809

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NSC FOR DENNIS WILDER
DEPARTMENT FOR EAP/CM

E.O. 12958: DECL: 12/21/2031

TAGS: PGOV PHUM PREL PINR CH HK MC

SUBJECT: MACANESE PROTEST LABOR POLICIES AND CORRUPTION

REF: HONG KONG 001818

Classified By: E/P Chief Laurent Charbonnet. Reasons: 1.4(b,d).

¶11. (C) Summary and comment: Approximately 600 workers and citizens in Macau took to the streets on December 20, the seventh anniversary of Macau's reversion to the PRC, to protest labor issues and government corruption in the Macau Special Administrative Region (MSAR). Unlike the May 1, 2006 demonstrations against foreign laborers, however, the protests were non-violent. Only hours after the march, Macau's Chief Executive stressed social harmony for the MSAR during his speech at a reception in honor of the seventh anniversary. Comment: The demonstration, though peaceful and orderly, signifies continuing dissatisfaction among certain sectors in Macau with Chief Executive Edmund Ho's permitting significant imports of cheaper foreign laborers while failing to upgrade the domestic labor force with training and education. The march also exposes inadequacies in the remedial measures unveiled in Ho's policy address in November. End summary and comment.

¶12. (C) Reminiscent of reftel protests in May 2006, approximately 600 workers and citizens in Macau took to the streets on December 20 -- the seventh anniversary of Macau's reversion to the PRC -- to protest labor issues and corruption in the Macau Special Administrative Region (MSAR).

In marked contrast to the May incident, however, the protests were non-violent. The workers were organized by local construction unions and accompanied by pro-democracy lawmakers Antonio Ng and Au Kam-san. The protest organizers reportedly said this was the first time a march was held on a handover anniversary in Macau. Antonio Ng told us that Macau's "grassroots people" did not want the march to turn violent because they would "lose face," but had to act because of serious social problems in the MSAR. Ng also said Macau's middle class has expressed the need for "social action" by the government, especially against corruption, and that "we should expect the same in May 2007."

¶13. (SBU) The "Association Promoting the Opinion of the Workers" and the "Union for Moulding Professionals" reportedly organized the march to demand that the government clamp down on illegal workers and stop the importation of foreign labor in the approximately 28 square kilometer MSAR, which has been experiencing extremely rapid economic growth due to investment in the gaming, tourism, and construction sectors. In addition to banners, some marchers carried empty bowls to signify that their livelihoods had been stripped away by the government. Protestors also displayed banners accusing the government of collusion with the business sector, and urged the government to address corruption in the Macau administration, following the mid-December arrest of Macau's former Secretary for Transport and Public Works, Ao Man-long. Only hours after the march, Macau's Chief

Executive stressed social harmony for the MSAR during his speech at a reception marking the seventh anniversary of the handover.
Cunningham